TO: THE EXECUTIVE
DATE: 12 FEBRUARY 2019

GENERAL FUND REVENUE BUDGET 2019/20
(Chief Executive/Director: Finance)

1 PURPOSE OF REPORT

1.1 As part of the Council's financial and policy planning process, the Executive agreed draft revenue budget proposals for 2019/20 as the basis for consultation on 18 December 2018.

1.2 Over the course of the last two months a number of issues have also become clearer, in particular the details of the Local Government Financial Settlement and the implications of the Council's successful bid to be involved in a Berkshire-wide Business Rates Pool approved alongside the Settlement. This report therefore builds on the draft budget proposals agreed by the Executive in December and sets out the Executive's final budget proposals for 2019/20. Once determined, these will be submitted to the Council for consideration on 27 February 2019.

1.3 The recommendations of this report are, in part, dependent upon proposals to be considered elsewhere on this agenda in respect of the Capital Programme 2019/20 - 2021/22. Changes to the proposals included within that report may therefore necessitate revisions to the 2019/20 General Fund revenue budget proposals set out below. Should this happen a short adjournment of the meeting might be required.

2 RECOMMENDATIONS

That the Executive, in recommending to Council a budget and Council Tax level for 2019/20:

2.1 Confirms the original budget proposals, subject to the revisions in section 8.3 and those decisions to be taken elsewhere on this agenda on the capital programme;

2.2 Agrees the provision for inflation of £2.396m (section 8.2);

2.3 Agrees the additional budget proposals as set out in Annexe A and Annexe D and in sections 6.2, 6.3, 6.5, 7.3, 8.3, 9.1, 9.3 and 10.6;

2.4 Agrees that the Council should make additional funding available for distribution to schools through the local funding formula at the level set out in section 9.1 subject to any minor amendments made by the Executive Member for Children, Young People and Learning following the receipt of definitive funding allocations for Early Years and High Needs pupils;

2.5 Includes contingencies totalling £2.5m (section 10.6), use of which are to be authorised by the Chief Executive in consultation with the Director of Finance in accordance with the delegations included in the Council's constitution;

2.6 Subject to the above recommendations, confirms the draft budget proposals;

2.7 Approves the Net Revenue Budget before allowance for additional interest from any use of balances as set out in Annexe G;

2.8 Agrees the contribution of £>.>>>m to be made from revenue balances (before additional interest from the use of balances) to support revenue expenditure;

2.9 Recommends a >.>>% increase in the Council Tax for the Council's services and that the Council Tax requirement, excluding Parish and Town Council precepts, be set as £>>.>>>m;

2.10 Recommends that the Council Tax for the Council's services and that each Valuation Band is set as follows:

Band	Tax Level Relative to Band D	£
A	6/9	>>>>.>>
B	7/9	>>>>.>>
C	8/9	>>>>.>>
D	9/9	>>>>.>>
E	11/9	>>>>.>>
F	13/9	>>>>.>>
G	15/9	>>>>.>>
H	18/9	>>>>.>>

2.11 Recommends that the Council approves the following indicators, limits, strategies and policies included in Annexe E:

- **The Prudential Indicators and Limits for 2019/20 to 2021/22 contained within Annexe E(i);**
- **The Minimum Revenue Provision (MRP) Policy contained within Annexe E(ii);**
- **The Treasury Management Strategy Statement, and the Treasury Prudential Indicators contained in Annexe E(iii);**
- **The Authorised Limit Prudential Indicator in Annexe E(iii);**
- **The Investment Strategy 2019/20 to 2021/22 and Treasury Management Limits on Activity contained in Annexe E(iv);**

2.12 Authorise the Executive Member for Transformation and Finance to agree the Council's response to the Business Rates and Fair Funding Consultations released with the Provisional Local Government Finance Settlement.

2.13 Approves the virements relating to the 2018/19 budget as set out in Annexe H and recommends those that are over £0.100m for approval by Council;

2.14 Recommends the Council approves the permanent virements between staff and non-staff budgets set out in Annexe I.

3 REASONS FOR RECOMMENDATIONS

3.1 The recommendations are designed to enable the Executive to propose a revenue budget and Council Tax level for approval by Council on 27 February.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 Background information relating to the options considered is included in the report.

SUPPORTING INFORMATION

5 Basis of Draft Budget Proposals

5.1 At its meeting on 18 December 2018, the Executive considered the overall position facing the Council in setting a budget for 2019/20. At the time the Executive agenda was published, the Provisional Local Government Financial Settlement had not been announced. Since the Council had signed up to the Government's offer of a Four Year Settlement, the report was based on an assumption that there would be no significant changes to government funding.

5.2 In this broad context, the Executive published its draft budget proposals and these have been consulted on with the public, the Council's Overview & Scrutiny Commission and Scrutiny Panels, with town and parish councils, business ratepayers, the Schools Forum and voluntary organisations.

5.3 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular, the scope to invest in new service provision is severely restricted. Many of the pressures accommodated in the budget package are simply unavoidable as they relate to current levels of demand or legislation changes.

5.4 As in previous years, economies have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support rather than on front line services. However, it is almost inevitable that further savings will have some impact on services, although the transformation programme put in place by the Council is seeking to minimise this.

5.5 The draft budget proposals, which reflect the priorities in the Council Plan and included a suggested approach for inflation, are summarised in Table 1.

Table 1: Draft Budget Proposals

Directorate	Commitment Budget (CB) Excl. Transformation	CB Transformation	Capital programme	Inflation	Service Pressures / Economies	Change in Contingency	New Homes Bonus & Social Care Funding	Future Funding Reserve – 17/18 Collection Fund Surplus	Draft Budget 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Central	9,628	-332	0	0	2	0	0	0	9,298
Delivery	26,581	-540	0	0	-328	0	0	0	25,713
People	67,167	-1,350	0	0	1,121	0	-1,526	0	65,412
Non Departmental / Council Wide	-19,812	-772	14	2,400	-84	-1,000	390	-3,045	-21,909
Total	**83,564**	**-2,994**	**14**	**2,400**	**711**	**-1,000**	**-1,136**	**-3,045**	**78,514**

6 Local Government Finance Settlement

6.1 Overview

6.1.1 The Council's budget is set within the context of a 4-year Local Government Funding Settlement (LGFS) published following the General Election in May 2015. As such, 2019/20 will be the final year of this agreement. The paragraphs below set out the key issues included in the Provisional Settlement for 2019/20 and this is followed by a section that draws together the likely implications for the Council's medium term funding position.

6.1.2 The Provisional Settlement was published on 16 December 2018, having been delayed from the expected date of 6 December due to Parliament's focus on Brexit. The overall quantum of funding provided in government grant remained largely as expected once the additional resources included in the Autumn Budget 2018 are taken into account, and the proposed further changes to the New Home Bonus regime were withdrawn.

6.1.3 The levy payable on Business Rates Growth above Baseline is pooled in a centrally managed account and used to fund safety net payments to councils experiencing significant reductions in Business Rates. A £180 million surplus has built up on this levy account which the government indicated in the settlement would be redistributed to councils. However, it has subsequently been confirmed that the payment (approximately £0.254m for Bracknell Forest) will be made in 2018/19 rather than 2019/20. This sum will therefore be used to reduce the call on General Reserves at the end of 2018/19.

6.1.4 As part of the settlement the Government announced that the Berkshire bid to be a pilot area for 75% retention of Business Rates in 2019/20, led by Bracknell Forest, had been accepted. This is excellent news and will provide additional one-off resources to the county as a whole and to the individual Unitary Authorities.

6.1.5 Looking ahead, the Secretary of State confirmed his aim to introduce 75 per cent Business Rates Retention for all in 2020/21 and published a consultation document on possible changes to the system. The main proposals relate to balancing risk and reward; resets, the safety net, the levy, tier splits within areas, incentivising pools, central and local rating lists, and the best way of dealing with appeals. Both the pilot and the revised scheme are covered in more detail in section 6.3.

6.1.6 Alongside the settlement, the Government also confirmed that it is looking to implement the Fair Funding Review in April 2020 to coincide with the introduction of the new Business Rates retention scheme and published a further consultation on its progress. This review will calculate the new baseline funding levels for individual local authorities based on an up-to-date assessment of their assessed relative needs and resources. Core funding from business rates will be redistributed according to the outcome of the new assessment, which is likely to have a significant long-term impact on the funding of the council.

6.1.7 The Council will respond to both consultations to ensure the issues faced by Bracknell Forest are clearly understood by the Government.

6.1.8 The final settlement was published on the 29 January and there were no changes from the Provisional Settlement published in December.

6.2 Specific Grants

6.2.1 From 2013/14 almost all Specific Grants have been rolled into the Baseline Funding that councils receive with only a minority administered outside of the formula mechanism.

6.2.2 The Government consulted over the summer in 2017 on further changes to the New Homes Bonus scheme. However, the proposal to link New Homes Bonus payments to the number of successful planning appeals was not implemented. In the July 2018 consultation on the 2019/20 LGFS, the Government confirmed that it intended to increase the baseline in 2019/20 due to the continued upward trend in house building. An increase in the threshold would further reduce the level of funding received. However, the Provisional Settlement confirmed that there would in fact be no change to the grant calculation.

6.2.3 Despite the decision not to increase the threshold, once allocations were revised to reflect actual housing growth, there has been a further modest decrease in grant compared to the December proposals (£0.026m), bringing the total receivable to -£1.356m for 2019/20 (-£1.772m in 2018/19).

6.2.4 Two of the largest Specific Grants received by the Council are the ring-fenced Public Health Grant and the NHS funding to support social care and benefit health. The Public Health Grant for 2019/20 has been confirmed at -£3.943m as per the indicative figures received last year, a reduction of £0.107m (2.6%) compared to 2018/19. The figures included in the settlement for the Better Care Fund and social care in general were as expected and included the additional -£0.980m of social care funding announced as part of the Autumn Budget 2018. There are therefore no further changes to the draft budget proposals in this area

6.2.5 Information on a number of smaller Specific Grants has now been received. The overall impact has been an increase in grant income compared to the December proposals of -£0.027m, with the most significant changes relating to grants for homelessness.

6.3 Business Rates

6.3.1 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.

6.3.2 Currently the Council collects significantly more Business Rates than it is allowed to keep and until the 2018/19 Business Rates Pilot only received approximately a quarter of any Business Rates growth, due to the levy. As indicated above, the Government has announced that it still intends to introduce a new system in 2020/21 based on 75% retention of Business Rates growth by local government. Under the new system existing grants including Revenue Support Grant and the Public Health Grant are expected to be incorporated into the baseline and more responsibilities are likely to be transferred to Local Government.

6.3.3 Bracknell Forest is in a virtually unique position in terms of its current Business Rates income. The transfer of a large multi-national company on to the Council's valuation list in 2013/14 significantly increased the level of Business Rates collected locally. This transfer represented a significant windfall for the Council, creating both a significant opportunity and risk at the time and has been a key factor in providing resources to balance the Council's budget since then.

6.3.4 Around half of the additional income was used to support the base budget with the remainder set aside in an earmarked reserve to mitigate against the risk of the additional income reducing or being withdrawn. This prudent approach meant that the Council was not immediately impacted by a successful appeal by the company against the rateable value, which resulted in it being reduced by 28% in 2016/17. A number of other appeals have recently been successful which will result in a further 7% reduction in rateable value. There are still appeals outstanding on the 2010 valuation and further multiple appeals were lodged following the 2017 valuation which are still outstanding. It is also anticipated that the company will join the Central Rating List when the new Business Rates system is introduced in 2020/21. A recent press article has indicated that this company is undergoing a restructure which could see the closure of its data centre in Bracknell and its relocation to the company's Newbury campus. There is therefore a possibility that we could see the loss of this income earlier than expected, sometime in 2019/20. Further investigations are being carried out in an effort to ascertain the potential timing of the move. At this stage, given the strategic importance of the data centre to the companies network and the reduced level of resources in the Valuation Office Agency and MHCLG to deal with any significant changes, it is felt that the likelihood of any move between ratings lists before April 2020 is low.

6.3.5 As the timing and outcome of all these events are uncertain, broad assumptions have had to be made in calculating future income levels. An unavoidable consequence of this has been significant volatility in the Collection Fund balance each year. This continues to represent a considerable risk to the Council's current and future Business Rates income. In 2017/18 a significant surplus of -£3.045m was projected on the Business Rates element of the Collection Fund which was transferred into the Future Funding Reserve in 2018/19. There is now a projected deficit on the Business Rates element of the Collection Fund for 2018/19 (£4.942m). This has arisen from a combination of the final income figure for 2017/18 being less than expected in January 2018 and additional income being projected for 2018/19. Due to its one-off nature, the deficit will be met from the Future Funding Reserve in 2019/20.

6.3.6 In addition to these specific issues, the move to the new funding system in 2020/21 will be accompanied by a re-set of the current 50% business rates retention arrangement. This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest.

6.4 Medium Term Financial Situation

6.4.1 The current four year settlement, despite some changes introduced in 2017/18, has provided a degree of certainty in terms of Government funding that has facilitated planning for the 2019/20 budget. However, as indicated in the sections above, there is significant uncertainty for the period from 2020/21 due to the potential impact of a number of issues, in particular:

- Fair Funding Review
- Business Rates system re-set
- 2019 Spending Review which will determine the overall quantum available
- Brexit

6.4.2 This hampers meaningful financial planning at a time when central government grant funding is the lowest it has been for decades and demand pressures are increasing. Given the relative prosperity of Bracknell Forest, it is unlikely that the impact of these changes will increase our local resources.

6.4.3 Members are also reminded that the predicted level of new savings from the Council's successful Transformation Programme is inevitably expected to fall by 2020, recognising that most services will have been subjected to fundamental reviews by that time. The most likely consequence of all of these factors combining is an additional recurring budget gap of around £6.5m in 2020/21. The Future Funding Reserve has deliberately been created and supplemented through the additional income from Business Rate Pilot status in order to help manage the transition to the new funding arrangements.

6.4.4 The impact of these factors will be a greater reliance on Council Tax income as an on-going source of funding to support essential front-line services. The current level of Council Tax in Bracknell Forest is still one of the lowest of any Unitary Authority in England. While a high level of increase in any year is unlikely to be universally welcomed by residents, the council's financial plans assume the maximum level of increase permitted is applied, as this is what the Government has assumed and provides the greatest level of protection possible for essential services in the period from 2020/21.

6.5 Business Rate Pilot

6.5.1 As part of the Provisional Settlement the government announced that fifteen local authority areas, including Berkshire, had been selected to pilot 75 per cent Business Rates Retention in 2019/20, as well as all London boroughs and the City of London Corporation. As a result no Revenue Support Grant (RSG) will be received in 2019/20 as this has been incorporated into the calculation of the Council's Business Rates baseline funding level. The baseline funding level has been set at -£18.305m which is £0.012m more than the combined figure for RSG and baseline funding assumed in the December report. However, no levy will be charged on any growth achieved above this level in 2019/20 enabling 75% to be retained locally.

6.5.2 Under the Berkshire proposal, £11m of the gain from the pilot will be provided to the Thames Valley LEP (£3.2m from Bracknell Forest) to undertake improvements in transport infrastructure that would help secure further economic and housing growth to benefit the County. The remainder will be allocated across the individual authorities in proportion to their actual growth in business rates income. The actual benefits will depend on the level of business rates collected during 2019/20.

6.5.3 The additional benefit for Bracknell Forest arising from the pool is estimated to be approximately £6m. While some of this gain could be used to support the 2019/20 budget, the Council is already planning to use £4m of additional business rates growth to support its budget, from the growth in the Town Centre and the multi-national business referred to above. Any increase in this sum would simply create the potential for a greater "cliff edge" in 2020/21, when a new funding system is to be introduced that will remove or significantly reduce this gain.

6.5.4 In order to help ensure that the Council does not face an unmanageable position from 2020/21, it is proposed that the one-off gain from the Business Rate pilot and some of the growth in Business Rates are used as follows:

- £1.0m set aside in a new earmarked reserve to support funding of new schools within the Schools Budget over the next four years (paragraph 9.1.2);
- £3.0m transferred into the Regeneration of the Town Centre Reserve to help fund the Council's contribution to the further development of the Town Centre, as outlined in item 1 on the Executive agenda;
- £0.7m transferred into the Transformation Reserve;

6.5.5 The Council is also projected to receive -£2.166m of Section 31 grant to cover the loss of income resulting from capping the Business Rates increase to 2% in 2014/15 and 2015/16 and CPI in 2019/20, and a number of Business Rate Reliefs (-£2.139m in 2018/19).

6.5.6 The net effect of all these changes is a change in the amount relating to Business Rates transferred to/from the Future Funding Reserve compared to last year. This reflects the fact we have moved from a pilot scheme based on 100% retention to one based on 75%, some of the gains are being transferred to other reserves this year and the Collection Fund has moved into a deficit position. The 2018/19 budget included a transfer of £11.214m into the Future Funding Reserve. There will be a small net transfer out of the reserve in 2019/20 (-£0.266m). It is estimated that there will be a balance of £19.8m available on the Future Funding Reserve at the end of 2018/19 and £19.5m at the end of 2019/20. This sum is available to provide protection against the significant funding changes expected from 2020/21, at which point the level of General Reserves is expected to be close to the minimum prudent level.

7 Council Tax and Collection Fund

7.1 The Council Tax Base for 2019/20 has been calculated as 45,573 (Band D equivalents) which at current levels would generate total income of -£57.692m in 2019/20.

7.2 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. The threshold percentage has remained at 3% for 2019/20. As a council with Social Care responsibilities, Bracknell Forest was able to increase Council Tax by a further 3% in 2017/18 and 2018/19 to support Social Care pressures and the Council's Medium Term Financial Strategy. This will not be an option in 2019/20 as 6% is the maximum permissible increase over the three year period. Every 1% increase in

Council Tax in Bracknell Forest would generate approximately -£0.577m of additional income.

7.3 A deficit will be generated on the Council Tax element of the Collection Fund in the current year, primarily due to a lower level of growth in new properties than expected. The Council's share of this deficit is £0.427m.

8 Developments since the Executive Meeting on 17 December 2019

8.1 Consultation

8.1.1 The Executive's draft budget proposals have been subject to a process of public consultation since their publication in December. During the consultation period, the draft proposals have also been scrutinised by the Council's Overview & Scrutiny Commission and Scrutiny Panels. This included reviewing the draft fees and charges for 2019/20 during which a number of points were considered and clarified. Extracts from the minutes of these meetings are attached as Annexe B and show the Commission supported the approach to the draft budget.

8.1.2 The Schools' Forum considered the Executive's proposals relating to the schools element of the People's Directorate at its meeting on 17 January and welcomed the Council's decision to commit up to £1m over the next four years to provide additional funding for schools.

8.1.3 The draft budget proposals were published on the Council's web site and emails were sent to business ratepayers drawing their attention to the consultation. Seven responses were received to the public consultation via the web site plus a separate detailed response from the Labour Party. All responses are included at Annexe C.

8.2 Inflation

8.2.1 The Executive established a framework for calculating an appropriate inflation provision at its December meeting. Inflation allowances have now been finalised within this framework. The actual inflation allocation required is £2.396m which is £0.004m less than the £2.4m included in the draft budget proposals. The Directorate analysis is shown in Table 2.

Table 2: Inflation Allocations

Directorate	**2019/20 £'000**
Central	264
Delivery	931
People (excluding schools)	1,201
Non Departmental / Council Wide	0
Total	**2,396**

8.2.2 Inflation on schools' expenditure is provided for within the Dedicated Schools Budget expenditure, which is funded mainly by the Dedicated Schools Grant, with an additional top up from the Council (section 9.1).

8.3 Other Revisions to the Draft Budget Proposals

8.3.1 As outlined above, in the two months since the Executive published the draft budget proposals more information has inevitably become available. Details of the suggested amendments to the draft budget proposals are set out in paragraphs a) to i) below, with the net impact being an increase in the net revenue budget for 2019/20 of £0.368m. These changes have been reflected in the full budget proposals set out in Annexe D and the Commitment Budget (Annexe A).

a) <u>Central - Bracknell Town Neighbourhood Development Plan</u>
The Council, as the local planning authority, has a statutory duty to provide advice and assistance and to carry out certain parts of the neighbourhood planning process, including organising the consultation, holding and arranging an independent examination and a referendum. The estimated net cost has reduced by £0.037m since the draft budget proposals were published.

b) <u>Delivery – Invest to Save Scheme for the memorial area at the Cemetery and Crematorium</u>
The scheme was approved by CMT on 19 December and will generate additional income from 2019/20 (-£0.004m)

c) <u>Delivery – Waste Management</u>
An increase in the cost of the Waste Disposal PFI based on the latest waste projections which in particular show an increase in Energy from Waste tonnages next year (£0.149m).

d) <u>Delivery – Operations Unit Post Room</u>
The savings achievable form the restructure of the post and scanning teams has increased by -£0.005m.

e) <u>Delivery – Town Centre Car Parks</u>
The equipment maintenance free period for The Avenue Car Park has ended resulting in additional annual costs of £0.037m.

f) <u>Delivery - Highways</u>
Following the decision to bring together the Highway Asset Management and Transport Development services it has been possible to streamline the management of the functions resulting in the deletion of the Highways Asset Manager post (-£0.059m).

g) <u>Delivery Transformation – South Hill Park</u>
The -£0.075m grant reduction proposed for 2019/20 has been deferred until 2020/21, following a revised proposal being submitted by the Trustees (£0.075m). Any longer term funding agreement will be considered again next year.

h) <u>People – Adult Social Care</u>
The projected pressure arising from care packages has increased by £0.132m to £0.982m since the December draft budget proposals.

i) <u>People – Children Looked After</u>
Due to changes in the number and cost of placements since the December report, this pressure has increased by £0.080m to £1.698m. Should any additional placement costs be incurred during 2019/20 that cannot be accommodated within the approved budget, a request will be made for support from the Contingency.

8.3.2 The Executive are asked to confirm that there are no further budget proposals that they wish to change following the consultation period.

9 Other Budget Issues

9.1 Schools Budget

9.1.1 Whilst spending on the Schools Budget is generally funded by the ring fenced Dedicated Schools Grant (DSG), and therefore outside of the Council's funding responsibilities, councils retain a legal duty to set the overall level of the Schools Budget. In deciding the relevant amount, councils must plan to spend at least to the level of estimated DSG.

9.1.2 The policy of the Council for many years has been to fund the Schools Budget up to the level of annual DSG grant income plus any accumulated surplus balances held in the retained Schools Budget. Following a request from the Schools' Forum, it is proposed to supplement this with up to £1m from council reserves over the next four years, specifically to support the additional cost arising from new schools. An earmarked reserve will be set up as part of the 2019/20 budget to account for the £1m contribution.

9.1.3 The DSG comprises 4 funding Blocks, each with a separate calculation of funding and intended purpose; the Schools Block (SB); the Central School Services Block (CSSB, and the new funding block); the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors. The HNB and EYB are centrally managed by local authorities with the significant majority of funding ultimately being paid directly to providers, including schools. The HNB supports pupils whose educational needs are above £10,000 with the EYB mainly funding the cost of the 30 hours a week free entitlement to childcare and early years education for working families.

9.1.4 To date, the DfE has confirmed SB funding at £69.804m with the CSSB at £1.025m. Other elements of the DSG have yet to be confirmed, with the current estimate for the HNB at £15.406m and the EYB at £7.013m. Therefore, at this stage, total DSG income for 2019/20 is estimated at £93.248m.

9.1.5 In recommending the budget requirement next year for the SB, as well as utilising the DSG additional funding will be drawn down from reserves to contribute to the additional cost of new schools. This amounts to £0.592m, with £0.338m coming from the Council's earmarked reserve and £0.254m from the overall SB. As this pressure has been expected, an earmarked reserve has been created in the SB for the latter.

9.1.6 Setting the overall level of the Schools Budget and the operation of the funding formula that distributes the money to schools is a statutory council function. Agreeing how much is centrally managed is a decision for the Schools Forum. To meet these deadlines, council statutory decisions around the Schools Budget are delegated by the Full Executive to the Executive Member for Children, Young People and Learning. Recommendation 2.4 sets the parameters for the formal decision to be made. The Executive Member also endorses the decisions of the Schools Forum when these are undertaken in its statutory decision making role.

9.2 Pensions

9.2.1 Accounting standards on the treatment of pension costs (IAS19) require the inclusion within the total cost of services of a charge that represents the economic benefits of pensions accrued by employees. To simplify the presentation of the budget proposals the IAS19 adjustment has not been incorporated at this stage, although it will be included in the supporting information to the Council meeting on 27 February. This will not impact upon the Council's net overall budget or the level of Council Tax.

9.3 Investments

9.3.1 Now that the Council is in no longer debt-free and is reliant on external borrowing to fund its capital investments, returns on surplus cash are likely to remain relatively low during 2019/20 and beyond. As such the impact of interest rates on borrowing rates are of greater significance to the Council.

9.3.2 The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, the UK has been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets.

9.3.3 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK and the remaining uncertainty around Brexit. Forecasts will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

9.3.4 Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years. Borrowing interest rates have been volatile so far in 2018/19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt

9.3.3 The Council's own forecasts are cautious and in line with a subdued path for increases in Bank Rate likely in the latter half of 2019 and into 2020. Long-term interest rates remain close to historical lows with 10-year and 25-year Public Works Loan Board rates in the region of 2.5% to 2.8%. Shorter dated maturities, less than 1 year, will track base rates and as such are not expected to increase materially over the next 12 months. Given a mix of borrowing maturities (longer term maturities will tend to be used for capital investment requirements whilst shorter-dated market loans will be used to manage day-to-day cash flow), the average interest rate on borrowing assumed in the Council's 2019/20 revenue budget is 2.5%.

9.3.4 The 2019/20 Treasury Management Report attached as Annexe E re-affirms the strategy adopted by the Executive in December 2016 that governs the amount, duration and credit worthiness of institutions that the authority will place investments with during 2019/20. As such the Council will only place deposits with the most highly rated UK Banks and Building Societies, alongside the part-nationalised UK Banks, up to a limit of £7m and for a maximum period of 364 days (for part-nationalised UK Banks). Additionally the Council will be able to invest up to £7m with AAA Money Market Funds and other UK Local Authorities and an unlimited amount through the Government Debt Office Management Deposit Facility. The Annual Investment Strategy is shown in part (iv) of Annex E

9.3.5 Since publication of the Treasury Management Strategy report further advice has been received from the Council's Treasury Management advisers regarding the Minimum Revenue Provision (MRP) policy adopted by the Council. The policy set out and explained in Annex E(iii) has been updated to reflect the guidance issued by the Government in relation to assets purchased as investment properties. Prior to the new guidance issued in 2018 there was no requirement to set aside MRP on such assets, however in light of the recent move by local authorities into this area of investment the Government wished to see local authorities address the risk associated with such expenditure.

9.3.6 This Council has prioritised risk management in defining its policy on commercial property investment. However the Director of Finance, following advice taken from both the Council's Treasury Advisers and legal advice from Counsel, decided to introduce a partial deferral method for MRP as set out in the Policy attached to this report.

9.3.7 Following further advice from our Treasury Advisers we believe this set-aside should be retained but under the auspices of Voluntary Revenue Provision (VRP) rather than MRP – providing additional flexibility to the Council to reverse this set-aside at a future date should the assets be sold or the value of the assets change. As such the MRP policy has been revised to implement this change and these changes were reviewed and endorsed by the Governance and Audit Committee on the 30 January 2019.

9.3.8 The Local Government Act 2003 introduced a revised framework for capital expenditure and financing, underpinned by CIPFA's Prudential Code for Capital Finance in Local Authorities. The Code requires the Council to set a number of prudential indicators and limits relating to affordability, capital investment and treasury management. These take account of the Commercial Property Investment Strategy agreed by the Executive on 15 November 2016. They are included at Annexe E (i) and within the Treasury Management Strategy Statement at Annexe E (iii).

9.3.9 The capital programme is being considered separately on tonight's agenda and proposes Council funded capital expenditure of £19.050m and an externally funded programme (including self-funding schemes) of £14.387m for 2019/20. After allowing for projected receipts of approximately £5m in 2019/20 and carry forwards, the additional revenue costs will be £0.072m in 2019/20 and £0.605m in 2020/21. These figures include on-going costs associated with the maintenance and support of IT capital purchases. This is an increase of £0.058m in 2019/20 compared to the draft proposals, £0.055m of which will be met from the Future Funding Reserve as signalled in the capital agenda item and will therefore have a neutral impact on the revenue budget. These figures have now been reflected in the Commitment Budget. Costs will need to be revised at the meeting if the Executive decides on a different level of capital spending.

9.3.10 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision or MRP), although it is also allowed to undertake additional voluntary payments. The regulations issued by the Ministry of Housing, Communities and Local Government's (MHCLG) require full Council to approve an MRP Policy in advance of each year. The Council is therefore recommended to approve the MRP Policy set out in Annexe E (ii) to the Treasury Management Strategy. The MRP policy has been drawn up to ensure the Council makes prudent provision for the repayment of borrowings (in accordance with the Regulations) and at the same time minimises the impact on the

Council's revenue budget. The annuity method is used to calculate the annual charge where this is based on the life of the asset. With the exception of the partial deferral method introduced in relation to commercial property investment, described in paragraphs 9.3.5 – 9.3.7, the MRP policy is unchanged from that adopted last year.

9.3.11 As capital expenditure is incurred which cannot be immediately financed through capital receipts or grant, the Council's borrowing need (its Capital Financing Requirement) and its MRP will increase. The Council also needs to make a charge to revenue for "internal borrowing".

9.3.12 The draft budget proposals included an estimate of £2.223m for the Minimum Revenue Provision required to be made in 2019/20. This figure has been reviewed based on the latest capital projections and remains unchanged. The actual charge made in 2019/20 will be based on applying the approved MRP policy to the 2018/19 actual capital expenditure and funding decisions.

9.4 Capital Charges

9.4.1 Capital charges are made to service directorates in respect of the assets used in providing services and are equivalent to a charge for depreciation. The depreciation charges are included in the base budget figures and are important as they represent the opportunity cost to the Council of owning non-current assets. They must therefore be considered as part of the overall cost of service delivery, particularly when comparisons are made with other organisations. It is also important that these costs should be recognised when setting the level of fees and charges.

9.4.2 Capital charges do, however, represent accounting entries and not cash expenditure. The Council is therefore able to reverse the impact of these charges "below the line", i.e. outside service directorate costs, thereby reducing the net revenue budget whilst not directly affecting the overall cost of each individual service. This means that the charges do not affect the level of Council Tax. The capital charges in 2019/20 total £13.511m which is a decrease of £1.049m compared to the current year. Last year's original budget assumed infrastructure assets would move to being valued on a depreciated replacement cost basis rather than a depreciated historic cost basis which significantly increased the depreciation figures. This change in valuation basis has been postponed indefinitely and is the primary reason for the decrease in 2019/20. There will be no impact on the charge to the General Fund which is based on the MRP not depreciation.

9.4.3 Changes to capital charges do affect internal services recharges (see below). Changes to these have not been incorporated into the budget proposals in this report at this stage, although they will be included in the supporting information to the Council meeting on 27 February.

9.5 Internal Services Recharges

9.5.1 Members' decisions on the capital programme may affect capital charges and this will determine the overall cost of services in 2019/20. Due to their corporate nature, some services do not relate to a single service directorate, e.g. finance, IT, building surveyors, health and safety advisers etc. The budgets for these services are changed only by the specific proposals impacting on the directorates responsible for providing them (Central & Delivery). However, all such costs must be charged to the services that receive support from them.

9.5.2 The impact of changes in recharges for internal services is entirely neutral across the Council as a whole, since the associated budgets are also transferred to the services receiving them. The overall level of recharges is dependent upon the Executive's budget proposals being approved.

10 Statement by the Director: Finance

10.1 Under the Local Government Act 2003, the Director: Finance (as the Council's Section 151 Officer) must report to Members each year at the time they are considering the budget and Council Tax on:

a) The robustness of estimates; and
b) The adequacy of reserves.

In addition, CIPFA guidance on Local Authority Reserves and Balances states that a statement reporting on the annual review of earmarked reserves should be made to Council at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate level.

Robustness of estimates

10.2 The annual statement on the robustness of the estimates formalises the detailed risk assessments that are undertaken throughout the year and which are a standard part of the budget preparations and are included in the Council's Strategic Risk Register.

This identifies a number of key risk areas including:

- significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards;
- delivery of significant savings through the transformation programme;
- significant loss of and changes to responsibilities of key Council staff through redundancy, restructure retirements, etc. together with managing services with reduced capacity Council and staff resources re-allocated to the transformation programme. Council and its outsourced providers unable to recruit and retain staff at all levels;
- significant loss and changes in responsibilities of key staff, managing services with reduced capacity and the need to recruit, train and retain staff with the relevant skills and expertise;
- uncertainty around the impact of alternative options for Brexit, the financial and operational implications for services such as social care, contingency planning requirements and the potential impact for businesses located in the Borough;
- providing local school places for local children and the consequences if provision is not correct;
- the impact of demand led services and the need to plan for and respond to future and in-year demographic changes and national policy initiatives;
- sustaining adult social care services where there is insufficient external provision available;
- effective safeguarding of children and vulnerable adults when there are external factors outside the Council's control;
- delivery of an IT Strategy and digital infrastructure that meets business needs, compliance, information accuracy, greater reliance on end users and the threat of cyber attacks;
- maintaining adequate Business Continuity plans and procedures.

The potential impact of the move of a telecommunications company from Bracknell referred to in paragraph 6.3.4 is a new, material, risk, albeit with a low likelihood of a financial impact during 2019/20. This will be added to the Strategic Risk Register.

The budget includes resources sufficient to enable the Council to monitor these key risks and where possible to minimise their effects on services in accordance with the strategic risk action plans. Specific risk reduction measures that are in place include the following:

- Budget Setting Process
  - Production and regular monitoring of a robust medium-term financial strategy.
  - Regular analysis of budgets to identify legislative, demographic, essential and desirable service pressures / enhancements.
  - Detailed consideration of budgets by officers and Members to identify potential budget proposals.
  - Robust scrutiny of budget proposals prior to final agreement.
  - Ensuring adequacy and appropriateness of earmarked reserves, both for the immediately following and future years.

- Budget Monitoring
  - Robust system of budgetary control with regular reporting to the Corporate Management Team (CMT) and through the Quarterly Service Reports (QSRs) to Members.
  - Exception reports to the Executive.
  - Regular review of the Councils' budget monitoring arrangements by both internal and external audit to ensure they remain fit for purpose.
  - Taking corrective action where necessary during the year to ensure the budget is delivered.
  - Specific regular review by Finance Business Partners of particularly volatile budget areas.

10.3 The Director: Finance receives regular updates from Business Partners on the largest and most volatile budget areas which could place the overall budget most at risk and makes arrangements to report these through the regular monthly budget monitoring process. The most significant risks in the 2019/20 budget have been identified as the following:

- **Demographics** – the number of "demand" led adult and child client placements, the rising cost and numbers of looked after children, increasing support pressures resulting from people living longer, the impact of new housing developments and changing service provision of social care encouraging people to seek support;
- **Income** - specifically in Planning and Building Control Fees, Car Parks, Commercial Property, Land Charges and Continuing Heath Care funding. Significant income streams are reliant on customer demand and physical infrastructure remaining operational, placing a heavy reliance on planned and reactive maintenance being adequate;
- **Major schemes / initiatives** – progress with the Town Centre redevelopment, Waste Management PFI, major school redevelopment proposals (Binfield Learning Village in particular) and the implementation of savings proposals in particular the significant savings arising from the Transformation Programme;
- **Inflation** – the provision is based on estimates of inflationary pressures at the current time;
- **Treasury Management** – return on investments is affected by cash flow and the level of the Bank rate. There is also a high degree of uncertainty around the timing at which the Council will commence borrowing;

- **Uninsured losses** – the Council's insurances cover foreseeable risks. However, some risks are uninsurable, including former County Council self-insured liabilities and mandatory excesses;
- **Contractual Issues –** disputes, contract inflation (in particular rates for care providers which are increasing due to rising demand and reducing supply) and renewal of major contracts:
- **Legislative Changes** – for example, the transference of risks resulting from the retention of Business Rates by councils and the localisation of Council Tax support, the introduction of the Better Care Fund and its impact on funding and the way services will be delivered in the future, the implementation of responsibilities under the Care Act 2014 and Children and Families Act 2014, and the transition to universal credit;
- **Independent external providers** – changes in provision by independent service providers may result in increased costs to the Council;
- **Service interdependencies** – the potential impact of service reductions in one area on the demand for other services provided by the Council;
- **External inspections** –improvements identified through external inspection;
- **Safeguarding** – failure to adequately safeguard vulnerable people could result in cost pressures.
- **Schools Budget** – the impact of schools becoming academies on school support services, income generated from selling services and grant income that is calculated on the basis of the number of maintained schools and pupils within.

10.4 The probability of some of the above risks occurring is high. However it is unlikely that all will occur at the same time, with the exception of demand pressures in Children's and Adults' Social Care services which are increasing both locally and nationally. The measures in place, set out in paragraph 10.2, lead the Director of Finance and CMT to conclude that the budget proposals have been developed in a sound framework and are therefore robust. However, it needs to be recognised that not all adverse financial issues can be foreseen looking almost fifteen months ahead, e.g. the impact of changes in demand led services or severe weather conditions. It is therefore prudent to include, as in previous years, a contingency sum within the budget proposals.

Contingency

10.5 In setting the budget for 2018/19, the level of general contingency was increased to £2.5m. Within the draft budget proposals for 2019/20 the Contingency was decreased to £1.5m, although it was recognised that this would need to be reviewed.

10.6 The Director of Finance, Chief Executive and CMT have reflected upon the outlook for the economy as a whole, the impact of demographic changes and the resulting pressures on services and other risks contained within the proposed budget. Given the overall level of risk involved in delivering further savings in statutory services as well as the general economic uncertainty, it is felt that the level of the contingency should remain at £2.5m This broadly comprises £1.5m for social care demand pressures and £1.0m for other potential risks.

Earmarked Reserves

10.7 Earmarked Reserves are sums of money which have been set aside for specific purposes. These are excluded from general balances available to support revenue or capital expenditure. The Council had £30.668m in Earmarked Reserves at the start of 2018/19 which were approved by the Governance and Audit Committee in July 2018. The Director of Finance has undertaken a review of existing earmarked reserves and Annexe F sets out each reserve considered. The Director of Finance will review again the earmarked reserves in light of the changing risks facing the Council as part of the 2018/19 closedown process and any changes will be presented to the Executive and the Governance and Audit Committee as part of the closure of the accounts.

11 Net Revenue Budget

11.1 Table 3 summarises the budget changes for each Directorate, assuming that all items outlined above and detailed in Annexes A to F are agreed, but before changes to capital charges, pension costs and internal services recharges are incorporated within service directorate budgets.

Table 3a: Summary of budget changes

	Inflation (Section 8.2)	**Revisions to draft budget proposals (Sections 6.3, 6.5, 7.3, 8.3, 9.1, 9.3 and 10.6)**	**Changes to Specific Grants (Section 6.2)**	**Total Changes Identified**
	£'000	**£'000**	**£'000**	**£'000**
Central	264	-37	0	227
Delivery	931	193	0	1,124
People (excluding schools)	1,201	550	-27	1,724
Non Departmental / Council Wide	-2,400	-4,278	26	-6,652
TOTAL	**-4**	**-3,572**	**-1**	**-3,577**

Table 3b: Non Departmental / Council Wide – revisions to draft proposals

Non Departmental / Council Wide	**Revisions to draft budget proposals**
	£'000
Change in Contingency	1,000
Capital Programme – Interest	58
Business Rates Growth	-1,262
Future Funding Reserve	-8,436
Regeneration of Bracknell Town Centre Reserve	3,000
Transformation Reserve	700
New Schools Reserve	662
TOTAL	**-4,278**

These figures are added to the draft proposals to produce a final budget proposal for each department. This is summarised in Table 4.

Table 4: Draft Budget Proposal 2019/20

Department	2019/20 Draft Proposals (Table 1)	Changes Identified (Table 3)	Revised Budget Proposals
	£'000	£'000	£'000
Central	9,298	227	9,525
Delivery	25,713	1,124	26,837
People (excluding schools)	65,412	1,724	67,136
Non Departmental / Council Wide	-21,909	-6,652	-28,561
Total	**78,514**	**-4,077**	**74,937**

11.2 The Net Revenue Budget in 2019/20 if the Executive agreed all of these proposals would be £74.937m before allowing for additional interest resulting from the use of balances. This compares with income of -£70.628m from Business Rates baseline funding (-£18.305m) and Council Tax at the 2018/19 level (-£57.692m) less the Collection Fund – Council Tax deficit (£0.427m) and the Collection Fund – Business Rates deficit (£4.942m). The Net Revenue Budget is therefore now £4.309m above the level of income for 2019/20.

12 Funding the Budget Proposals

12.1 Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:

- an increase in Council Tax;
- an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term financial position;
- identifying further expenditure reductions.

12.2 Council Tax Increase

12.2.1 Each 1% increase in Council Tax in 2019/20 will generate approximately -£0.577m of additional revenue towards the budget gap. The maximum amount the Council could increase Council Tax by is 2.99%.

12.3 Use of Balances

12.3.1 The Council needs to maintain reserves to aid cash flow and to protect itself from fluctuations in actual expenditure and income. An allowance for cash flow is reasonably easy to calculate. However, an allowance for variations against planned expenditure is more difficult.

12.3.2 In deciding the level of any contribution from balances, the Executive will wish to have regard to the level of balances available. The Council's General Fund balance is expected to be £9.0m at 31 March 2019, assuming that spending in the current year matches the approved budget. This is made up as follows:

Table 5: General Balances as at 31 March 2019

	£m
General Fund as at 01 April 2018	9.0
Planned use in 2018/19	(2.5)
VAT refund for leisure services*	2.3
Redistribution of surplus on government levy account (paragraph 6.1.3)	0.2
TOTAL Estimated General Balances	**9.0**

*The Council has been trying to reclaim VAT on leisure income for a number of years, arguing that the sale of sporting and leisure services should be exempt from VAT. The outcome of a court case last year which ruled in favour of the LB of Ealing's claim for a VAT refund on leisure income prompted the submission of a revised claim for overpaid VAT for the period 2010 to 2018. This claim was successful.

12.3.3 The Council has for many years planned on maintaining a minimum prudential balance of £4m, which indicates that a sum of up to £5.0m is potentially available for use. However, given that these resources are one-off, it is important when considering the use of reserves to not only consider the current year's budget but also future years' pressures.

12.3.4 The Council will also have an estimated £19.8m in the Future Funding Reserve as at 31 March 2019, £4.9m of which will be used to meet the deficit on the Business Rates element of the Collection Fund in 2018/19.

13 Preceptors' Requirements

13.1 On the 1 February 2019 the Thames Valley Police and Crime Panel met to determine the 2019/20 budget for the Thames Valley Police and Crime Commissioner (TVPCC). The tax for a Band D property for the TVPCC will increase by £24 (13%), the maximum permitted, to £206.28 in 2019/20. The Royal Berkshire Fire Authority (RBFA) will not determine its budget and precept for 2019/20 until 25 February. The tax for a Band D property for RBFA in 2018/19 was £64.36. The Parish and Town Councils have yet to set their precepts for 2019/20. These totalled £3.255m in 2018/19 with an average tax of £71.86 for a Band D property. All precepts will be reported to the Council meeting on 27 February 2019.

14 Summary of Matters for Decision

14.1 Annexe G outlines the Council's Council Tax Requirement based on the draft budget proposals. The outcome of the Executive's deliberations will be recommended to the Council meeting on 27 February regarding the budget and Council Tax level for 2019/20. These will be incorporated in the formal Council Tax resolution required by the Local Government Finance Act 1992 as amended. However, the following matters need to be determined at this stage in order to allow the Executive to recommend a budget to the Council for 2019/20:

(a) confirmation of the draft budget proposals, taking account of issues raised during the consultation period and revisions identified to reflect current information (sections 6.2, 6.3, 6.5, 7.3, 8.3 and 9.1), set out in detail in Annexes A, D and G;

(b) confirmation of the impact of changes in investments and investment rates on the budget (section 9.3);

(c) the level of the corporate contingency (section 10.6);

(d) the level of Council Tax increase (section 12.2);

(e) subject to (a) to (d) above and decisions considered elsewhere on the agenda, to determine the appropriate level of revenue reserves to be retained and the consequent use of balances to support the budget in 2019/20 (section 12.3).

14.2 As outlined above, dependent upon the decisions made by the Executive concerning these issues, it may be necessary to adjourn the meeting to enable officers to calculate the appropriate figures to include in the recommendations.

14.3 A detailed budget book will be prepared during March exemplifying the budget at the level of detail required to support the scheme of virement. This will be made available to all members.

15 Budget Monitoring - Virement requests

15.1 A virement is the transfer of resources between two budgets but it does not increase the overall budget approved by the Council. Financial Regulations require formal approval by the Executive of any virement between £0.050m and £0.100m and of virements between departments of any amount. Full Council approval is required for virements over £0.100m. A number of virements have been made since the December Executive meeting which require the approval of the Executive and the Council. These have been previously reported to the Corporate Management Team who recommends them to the Executive and the Council for approval. They have been included in the Quarterly Service Reports. Details of the virements are set out in Annexe H.

16 Permanent virements between staff and non-staff budgets

16.1 Council approval is required for any permanent virements in or out of the Devolved Staffing Budget. Details of proposed permanent virements are contained in Annexe I.

17 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

17.1 In carrying out all of its functions, including the setting of the budget, the Council must comply with the Public Sector Equality Duty set out in the Equality Act 2010. That duty requires the Council to have due regard to the need to:-

a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;

b) advance equality of opportunity between persons who share a "relevant protected characteristic" and persons who do not share it;

c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

"Relevant protected characteristics" are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. As to (b) above due regard has to be had in particular to the need to:-

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The Equality Impact Assessments annexed to this report have been prepared in order to assist the Council to meet the Equality Duty in considering the budget.

Director: Finance

17.2 The financial implications of this report are included in the supporting information.

Equalities Impact Assessment

17.3 The Council's budget proposals impact on a wide range of services. A detailed consultation was undertaken on the draft budget proposals published in December to provide individuals and groups the opportunity to provide comments.

17.4 Equality impact assessments are attached at Annexe J.

Strategic Risk Management Issues

17.5 The Director of Finance's Statement in Section 10 sets out the key risks facing the Council's budget and the arrangements in place to manage these risks, including maintaining an appropriate level of reserves and contingency.

17 CONSULTATION

18.1 Details of the consultation process and responses received are included in section 8.1.

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